

**MINUTES OF THE
UTAH ASSOCIATION OF COUNTIES INSURANCE MUTUAL
BOARD OF DIRECTORS MEETING HELD ON
SEPTEMBER 30, 1992**

The meeting was called to order by Commissioner Tom Hatch, who welcomed the members of the board making note that the agenda was quite long.

The following individuals were present: Commissioner Scott Hirschi, Washington County; Commissioner Dixie Thompson, Emery County; Dennis D. Ewing, Tooele County Clerk; Commissioner Gary R. Herbert, Utah county; Gerald Hess, Davis County Deputy Attorney; Commissioner Leonard M. Blackham, Sanpete County; L. Brent Gardner, UAC Executive Director; Jess A. Hurtado, Rollins Burdick Hunter of Utah, Inc.; Harry P. Bowes, Consultant; Bill Peters, Legal Council for UAC; Guy Burningham, Utah County Deputy Attorney; and Sarah Ann Skanchy, Cache County Council Chairman.

Commissioner Hatch informed the board that the minutes were not prepared for this meeting, but would be sent out along with the minutes of today's meeting.

GRAND COUNTY

Commissioner Hatch asked Commissioner David Knutson to present Grand County's request to consider a duplication of coverage for January - April, 1992. Commissioner Knutson reviewed the facts of how the duplication came about as a result of concern by the county clerk who was afraid the coverage by the UACIM would be inadequate. By action of the Commission in Grand County, duplicate coverage was purchased from another carrier, at the recommendation of the clerk, costing the county approximately \$30,000 in additional premium. Commissioner Knutson stated the county has no dissatisfaction with the Mutual, but their dissatisfaction is with their clerk.

Mr. Hess made a motion not to refund or adjust the duplicate premium. The motion was seconded by Commissioner Herbert, and passed unanimously.

BROKERAGE AGREEMENT

The revised Brokerage Agreement was reviewed by Mr. Hurtado and briefly discussed. It was suggested that the agreement be reviewed by Mr. Gardner and Mr. Peters. The Brokerage Agreement was tabled until the November Board Meeting.

THIRD-PARTY CLAIMS AGREEMENT

The Third-Party Claims Agreement was presented by Mr. Hurtado. He is of the opinion that it is in final form.

Commissioner Blackham pointed out that all counties except Salt Lake, should be added at no additional charge. Mr. Hurtado explained that a new Addendum would be added for 1993 listing the counties. He also suggested that UAC request a cost breakdown in writing from RTS for 1993. Mr. Hess asked for clarification on several points in the agreement which were provided.

The claim settlement amount contained in the contract is \$10,000. Commissioner Hirschi stated that the previous action of the board had set that limit at \$5,000. He said he felt comfortable with raising the limit from \$5,000 to \$10,000 as shown in the contract and made the motion to do so. The motion was seconded by Mr. Hess, and unanimously passed.

Commissioner Hirschi asked Mr. Hurtado to explain what travel costs the UACIM is to reimburse RTS for the claims administration as shown on page 3 2B and page 4 2F. Mr. Hurtado responded that he thought the contract anticipated that the UACIM would reimburse RTS for all travel except the annual and semi-annual meetings of UAC.

Commissioner Hirschi made a motion that all expenses which are usual and customary be included in the annual fee paid by the UACIM to RTS and that Paragraph 2F on page 4 be deleted. The motion was seconded by Commissioner Blackham, and passed unanimously.

Commissioner Hirschi made a motion to have quarterly payments incorporated in the Brokerage Agreement. (Action?)

Mr. Gardner was asked if UAC could provide a report showing the claims activity by line of coverage and frequency of loss. Mr. Gardner noted that information was prepared to be handed out under items 17 and 18 on the agenda, but if the board preferred, he would distribute it as part of the discussion on claims. The reports were handed out and reviewed by the board.

PRESENTATION OF THE CLAIMS REPORT

Mr. Alexander reviewed the Claims report with the board. He discussed the Cache County, Sanpete County, and Grand County cases in detail with the board.

Associated with the Claims report, Mr. Burningham, who chairs the UACIM Litigation Committee, distributed a letter from the Cache County attorney which raises several policy questions pertaining to the handling of the defense by outside counsel. The Litigation Committee would like to propose answers to those questions for the board's approval at its next meeting.

Mr. Hurtado asked if the county was going to reimburse the UACIM for defense costs. Mr. Burningham did not feel that it was practical to try and separate the costs of these kinds of very intertwined cases.

Mr. Hurtado and Mr. Alexander both expressed concern about the defense costs exceeding the loss fund if some reimbursement is not included. The Litigation Committee wanted to wait and see what the experience is in these types of land use cases at the end of the year.

FINANCIAL REPORT

The August Financial Report was presented and review by the board. Mr. Gardner indicated that he was seeking to clarify the budgeted amounts used by Al Stein in the financial reports. He also reported that further consulting services as an area that will require further consideration by the board.

MILLARD COUNTY

At the August meeting of the board, UAC was asked to set up a meeting with Millard County to seek their continued commitment to join the UACIM in January, 1993, in light of a meeting with other carriers who are soliciting Millard County business. Mr. Gardner made contact with Commissioner Moon and was informed of and provided with a copy of a letter from the Commission to their local agent informing the agent that Millard County was, in fact, going to keep the commitment to join the UACIM. In view of that, Mr. Gardner did not set a meeting date. He sees no further need to meet with Millard County at this time.

NON-PARTICIPATING COUNTIES

A marketing plan to non-participating counties was reviewed by the board. Commissioner Blackham agreed to talk to Juab County. Commissioner Brown agreed to approach Morgan and Summit Counties. Mr. Ewing will contact Gene Briggs in Daggett County. Meeting dates with each county will be sought by these contacts to make proposals by UACIM for 1993.

STARTUP COSTS

Mr. Gardner noted that only three counties; Beaver, Kane, and Utah, have not paid their share of the startup costs for establishing the Mutual. Commissioner Hatch agreed to seek out Commissioners from those three counties during the USACCC Fall Workshop and solicit payment of those unpaid expenses.

1993 BUDGET

Mr. Gardner was asked to distribute the tentative budget of 1993. He pointed out differences between the 1992 budget in comparison to the 1993 budget. No adjustments to the tentative 1993 budget were made. Mr. Gardner was directed to present the budget again at the November Board Meeting with estimated ending balances for line items in the 1992 budget.

1992 AUDIT

Copies of two proposals for preparation of an audit for 1992 for the Mutual have been received in response to an RFP sent out by Mr. Hurtado of RBH. One proposal is a local firm, the other is Tillinghash from Denver. Both proposals estimate the cost to range from \$15,000 to \$30,000. Mr. John Pierce, a fellow actuary from Chicago will also be submitting a proposal. The board directed Mr. Hurtado to present all three proposals again at the board meeting in November.

ANNUAL MEMBERSHIP MEETING AGENDA

The proposed agenda for the annual Membership Meeting was reviewed by the board. Two items were added to the agenda:

1. County Commissions should find legal advise regarding civil matters either through the County Attorney's Office or outside counsel and not rely on the UACIM.
2. Cache County issues as outlined in a letter dated September 28, 1992 from Gary O. McKean.

OTHER BUSINESS

Commissioner Hatch appointed Commissioner Hirschi, Commissioner Blackham, and Mr. Hess to serve as the nominating committee to nominate Board members for those positions on the UACIM Board which expire at the end of the year.

The Consolidated Loss and Claim Report and the Unit Loss Report for August, 1992, were reviewed by the board. Nothing contained in the reports caused undue concern to the Board members.

Commissioner Hirschi moved to have the board enter into an Executive Session which motion was seconded by Commissioner Brown, and the motion carried unanimously.

Following the Executive Session, the board directed Mr. Gardner to schedule further board meetings on a Bi-monthly basis. Any action required during the interim would be addressed by the officers via a telephone conference call of all board members.

The consulting services between Mr. Harry P. Bowes and the UACIM Board will be terminated as of the September board meeting. Specific projects where Mr. Bowes' services are needed should be contracted for between UAC and the administrator and Mr. Bowes directly. Mr. Gardner is to draft a letter of agreement for UAC and Mr. Bowes.

There being no further business to come before the meeting, it was adjourned.

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2. Cache County issues as outlined in letter dated September 28, 1992 from Gary O. McKean.

OTHER BUSINESS

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Commissioner Hirschi moved to have the Board enter into an Executive Session which motion was seconded by Commissioner Brown, and motion carried unanimously.

Following the Executive Session, the Board directed Mr. Gardner to schedule further Board Meetings on a bi-monthly basis. Any action required during the interim would be addressed by the officers via a telephone conference call of all Board members.

The consulting services between Mr. Harry P. Bowes and the UACIM Board will be terminated as of the September Board Meeting. Specific projects where Mr. Bowes' services are needed should be contracted for between UAC as the administrator and Mr. Bowes directly. Mr. Gardner is to draft a letter agreement for UAC and Mr. Bowes.

There being no further business to come before the meeting, it was adjourned.

UAC Insurance Mutual Board of Directors

Days Inn - Banquet Room - 2:00 p.m.

Price, Utah

September 30 ,1992

A G E N D A

1. Call to Order
2. Minutes
3. Grand County Duplication of Coverage
4. Brokerage Agreement
5. Third-Party Administration Agreement
6. Claims Report
7. Financial Report
8. Report on Penco Meeting with Millard County
9. Marketing to non-participating Counties
10. Unpaid Start-up Costs
11. 1993 Tentative Budget
12. RFP for UACIM Audit
13. Agenda for November Membership Meeting
14. Appointment of Nominating Committee
15. Emery County Adjustment for Separate Special Service District
16. Legal Counsel for Loss Control
17. Review Consolidated Loss and Claim Report
18. Review Unit Loss Report
19. Future Consulting Services
20. 1993 Meeting Schedule

UAC Insurance Mutual Board of Directors

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12. RFP for UACIM Audit
13. Agenda for November Membership Meeting
14. Appointment of Nominating Committee
15. Emery County Adjustment for Separate Special Service District
16. Legal Counsel for Loss Control
17. Review Consolidate Loss & Claim Report (Handout Copies & Pick)
18. Unit Loss Report LI
19. (Ex. Session RE: Complaints from other Counties) Future Consulting Services
20. 1993 Meeting schedule

UAC Insurance Mutual

To: UACIM Board of Directors
From: Brent Gardner
Date: Monday, September 21, 1992
Subject: Notice of September Board Meeting

The September meeting of the Board of Directors was set at the previous Board meeting for Wednesday, September 30 ,1992 at 2:00 p.m. at the Days Inn in Price, Utah prior to the USACCC Fall Workshop.

Attached is a copy of the agenda for the meeting along with other items that will be discussed and a mileage reimbursement form.

COPY

UAC Insurance Mutual

Commissioner David Knutson
Grand County Courthouse
Moab, Utah 84532

September 2, 1992

Dear David:

The request Grand County made to have the UAC Insurance Mutual assist the county in obtaining a refund of its duplicate premium payment or to grant a refund was discussed by the Board at its meeting on August 26, 1992 in Castle Dale, Utah.

In view of the fact that no one from the county was able to attend the Board meeting and information concerning visits made by the Mutual and RBH needed to be gathered and reviewed, the Board did not act on your request. They have placed it on the agenda again for the Board meeting on September 30th and would like you to be there. There were a few questions and concerns expressed about your request which the Board felt you or someone representing the county could help answer.

The Board meeting will be held at the Days Inn in Price, Utah beginning at 2:00 pm. If you have any other questions about the meeting, please give me a call. The commissioners fall workshop will be held starting the following day on Thursday, October 1, 1992.

Yours truly,



L. Brent Gardner
Administrator

UACIM Board of Directors
Sept. 30, 1992
Price, UT.

Attending

Mr. Tom Hatch, Pres.

Mr. Scott Hirschi VP

Ms. Dixie Thompson Sec/Trea.

Dennis Ewing Comptroller

Gary Herbert

Terry Hess

Leonard Blackham

Sid Groll

Ken Brown

Are these
Typed?

Others

L. Brent Gardner

Jess Hurtado

Harry Bowes

Bill Peters

Guy Burningham

Sara Ann Skamky

minutes
UAC Insurance Mutual

The meeting was called to order by ^{Mr.} Tom Hatch and welcomed the members of the Board making note that the agenda was quite long.

Mr. Hatch informed the Board that the minutes were not prepared for this meeting but would be sent out along with the minutes of today's meeting.

~~Mr.~~ Mr. Hatch asked Commissioner David Knutson to present Grand County's request to consider a duplication of coverage for January - April 1992. Mr. Knutson reviewed facts of ~~the~~ how the duplication came about as a result of concern by the County Clerk who was afraid of coverage by the UACM being inadequate. By action of the Commission Grand County duplicate coverage was purchased from another carrier, at the recommendation of the Clerk costing the County approximately \$30,000 in additional premium. Commissioner Knutson stated the County has no dissatisfaction with the Mutual, but their dissatisfaction is with the Clerk.

Mr. Hess made a motion not to refund or adjust the duplicate premium. Motion seconded by Gary Herbert. Motion passed unanimously.

The revised Brokerage was reviewed by Mr. Hurtado and briefly discussed. He suggested that it be reviewed by Mr. Garcia & Mr. Peters.

The brokerage agreement was tabled until the November Board Meeting.

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Mr. Blackmore pointed out that all countries except Salt Lake be added at no additional charge. Mr. Hurtado explained that a new addendum would be added for 1993 listy countries. He also suggested that UAC request a cost breakdown in writing from RTS for 1993.

Mr. Hess asked for clarification on several points in the agreement which was provided.

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which are usual and customary be included in the annual fee paid by UACIM to RTS and that paragraph 2F on Page 4 be deleted. Motion was seconded by Mr. Blackam. Motion passed unanimously.

Mr. Hirschli made a motion to have quarterly payments incorporated in the Brokerage agreement.

Motion Seconded by Ken Brown. Motion passed unanimously.

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feel that it was practical to try and separate the costs of these kinds of very intertwined cases.

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Nominating
Committee

Leonard
Scott
Jerry

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